

TEXAS APPRAISER LICENSING
AND CERTIFICATION BOARD

vs.

SHARON B. ARNOLD
TX-1330795-R

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DOCKETED COMPLAINT NO.
07-139

AGREED FINAL ORDER

On this the 17th day of OCTOBER, 2008, the Texas Appraiser Licensing and Certification Board, (the Board), considered the matter of the certification of Sharon B. Arnold (Respondent).

In order to conclude this matter, Sharon B. Arnold neither admits nor denies the truth of the Findings of Fact and Conclusions of Law contained herein and further agrees to the disciplinary action set out in this Agreed Final Order. The Board makes the following findings of fact and conclusions of law and enters this Order in accordance with TEX. OCC. CODE § 1103.458:

FINDINGS OF FACT

1. Respondent Sharon B. Arnold is a Texas state certified residential real estate appraiser, holds certification number TX-1330795-R, and has been certified by the Board during all times material to the above-noted complaint case.
2. On or about January 18th, January 20th, and January 23rd, 2006, respectively, Respondent appraised real property located at: 2504 Red Oak Drive, Little Elm, Texas ("the Red Oak property"), 1313 Rocky Creek Lane, Allen, Texas ("the Rocky property") and 209 Glen Meadow Drive, Glenn Heights, Texas ("the Glen property") (collectively, "the properties").
3. On or about April 30th, 2007, the Complainant, Gabriel Soliz, filed a complaint with the Board. The complaint alleged that the appraisal reports were inflated and had discrepancies which resulted in overvaluation.
4. On or about June 7th, 2007 the Board, in accordance with the mandate of the Administrative Procedure Act (the APA), TEX. GOV'T CODE ANN. CHPT. 2001, and TEX. OCC. CODE CHPT. 1103, notified Respondent of the nature of the accusations involved and Respondent was afforded an opportunity to respond to the accusations in the complaint. Respondent's response to the complaint was received.
5. Respondent violated TEX. OCC. CODE § 1103.405, 22 TEX. ADMIN. CODE §§ 153.20(a)(3) and 155.1(a) by the following acts or omissions which did not conform to USPAP in effect at the time of the appraisal reports for the properties:

- a) Respondent failed to comply with the record keeping provisions of the Ethics Rule for her appraisals on each of the properties;
- b) Respondent failed to address the impact of seller concessions on value in her appraisals on each of the properties;
- c) Respondent failed to identify and report the site description adequately in her appraisals on each of the properties;
- d) Respondent did not consider and report any anticipated public and private improvements located on or off the site for her appraisal of the Red Oak and Glen properties;
- e) Respondent did not identify and analyze the effect on use and value of market area trends in her appraisals on each of the properties;
- f) Respondent failed to provide a brief summary of her determination of the properties' highest and best use in her appraisals on each of the properties;
- g) Respondent failed to use appropriate methods or techniques in her cost approach, including determination of site value, collection, verification, analysis and reconciliation of the cost new of improvements, and accrued depreciation in her appraisals on each of the properties;
- h) Respondent failed to collect, verify, analyze and reconcile sales comparison data properly and generally did not employ recognized methods and techniques in her sales comparison approach for each of her appraisals on the properties;
- i) Although reported, Respondent failed to analyze the prior sales history in her appraisals on each of the properties and failed to analyze the agreement of sale in the Rocky and Red Oak property appraisals;
- j) Respondent did not consider, analyze and report the effect on value of any lease terms and conditions even though each of the properties was being purchased for investment purposes;
- k) Respondent was negligent in her appraisal of the properties as detailed above;
- l) Respondent's reports for each of the properties contain substantial errors of commission or omission as detailed above which resulted in misleading appraisal reports for the properties.

CONCLUSIONS OF LAW

1. The Texas Appraiser Licensing and Certification Board has jurisdiction over this matter pursuant to the Texas Appraiser Licensing and Certification Act, TEX. OCC. CODE § 1103 et. seq.

2. Respondent violated the following provisions of USPAP as prohibited by 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(3): USPAP Ethics Rule (record keeping provisions) and USPAP Standards Rules: 1-2(c) & 1-1(b)(v); 1-2(e)(i) & 2-2(b)(iii); 1-4(f) & 2-2(b)(viii); 1-3(a) & 2-2(b)(viii); 1-3(b) & 2-2(b)(ix); 1-4(b)(i) & 2-2(b)(viii); 1-4(b)(ii) & 2-2(b)(viii); 1-4(b)(iii) & 2-2(b)(viii); 1-1(a) & 1-4(b); 1-4(a) & 2-2(b)(viii); 1-1(a) & 1-4(a); 1-5(a) & 2-2(b)(viii); 1-5(b) & 2-2(b)(viii); 1-1(a); 1-1(b); 1-1(c); and, 2-1(a).

3. Respondent violated 22 TEX. ADMIN. CODE §153.20(a)(9) by making material misrepresentations and omitting material facts.

Based on the above findings of fact and conclusions of law, the Board **ORDERS** that the Respondent shall:

- a. Have her certification suspended for eighteen months with this suspension being fully probated under the following conditions:
 - i. During the entire eighteen month suspension Respondent shall submit on a form prescribed by the Board, an appraisal experience log to the Board every three months. The log shall detail all real estate appraisal activities she has conducted during the previous three month period. This experience log shall be signed by Respondent and contain a notarized affidavit attesting that the log is true, complete and fully accurate. Upon request from the Board, Respondent shall provide copies of her appraisal reports and work files for any appraisal assignments she performs during the course of her period of probation within twenty days of notice of any such request;
- b. Attend and complete a minimum, 15 classroom-hour course in USPAP;
- c. Attend and complete a minimum, 15 classroom-hour course in the Sales Comparison Approach;
- d. Attend and complete a minimum, 15 classroom-hour course in Residential Report Writing; and
- e. Comply with all provisions of the Act, the Rules of the Board, and USPAP in the future, or be subjected to further disciplinary action.

ALL CLASSES required by this Agreed Final Order must be classes approved by the Board and must be completed within **TWELVE MONTHS** of the date of this Order and

documentation of attendance and successful completion of the educational requirements of this Order shall be delivered to the Board on or before the end of the twelve-month period indicated. None of the classes or seminars required by this Order may be taken through correspondence courses. Unless otherwise noted above, all classes must be in-class, have an exam, and Respondent must have a passing grade on the exam given in each class. None of these required classes will count toward Respondent's continuing education requirements for certification.

Failure to timely comply with any of the terms of this Final Agreed Order shall result in initiation of a contested case proceeding against Respondent and after opportunity for a hearing, possible imposition of disciplinary sanctions against Respondent as provided for by TEX. OCC. CODE § 1103.518, including, but not limited to possible revocation of the above-noted probated suspension.

Respondent, by signing this Agreed Final Order, waives the Respondent's right to a formal hearing and any right to seek judicial review of this Agreed Final Order. Information about this Agreed Final Order is subject to public information requests and notice of this Agreed Final Order will be published in the Board's newsletter and/or on the Board's web site.

THE DATE OF THIS AGREED FINAL ORDER shall be the date it is executed by the Chairperson of the Texas Appraiser Licensing and Certification Board. The Chairperson has been delegated the authority to sign this Agreed Final Order by the Texas Appraiser Licensing and Certification Board vote.

Signed this 22nd day of September, 2008.

Sharon B. Arnold
SHARON B. ARNOLD

SWORN TO AND SUBSCRIBED BEFORE ME, the undersigned, on this the 22 day of September, 2008, by SHARON B. ARNOLD, to certify which, witness my hand and official seal.

Kelly M. Johnson
Notary Public Signature

Kelly M. Johnson
Notary Public's Printed Name



Signed by the Commissioner this 17TH day of OCTOBER, 2008.

[Signature]

Timothy K. Irvine, Commissioner
Texas Appraiser Licensing and Certification Board

Approved by the Board and Signed this 17TH day of OCTOBER, 2008.



Clinton P. Sayers, Chairperson
Texas Appraiser Licensing and Certification Board